

**TRAILMARK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

\$8,334,977 Limited Tax General Obligation Refunding Bonds, Series 2003, dated July 10, 2003 with interest of 2.00% to 3.75%, consisting of serial bonds issued in the amount of \$7,725,000 (current interest bonds) due annually from 2004 through 2009 and from 2012 through 2018 and capital appreciation bonds issued in the original amount of \$609,977 with a par value of \$1,180,000 due December 1, 2010, and December 1, 2011. The current interest bonds are subject to redemption prior to maturity at the option of the District. The capital appreciation bonds are not subject to redemption prior to maturity. Interest is payable semi-annually on June 1 and December 1. The bonds are limited tax general obligations of the District, payable and from ad valorem taxes to be imposed, at a total rate not to exceed 66.027 mills as adjusted for changes in law and changes in the assessment ratio.

Advance and Reimbursement Agreement

The District entered into an Advance and Reimbursement Agreement with the developer on May 1, 1999 which was amended on July 1, 2003 and November 16, 2004. The Agreement was entered into in order to provide the District with sufficient funds to meet the reserve requirements of the 1999 bonds. The 1999 bonds have since been refunded and the reserve requirement of the District was terminated. The obligation of the District to repay the amounts advanced by the developer under the agreement constitutes a limited tax general obligation of the District but is subordinate to the 2003 bonds. Advances under the agreement are to be repaid at an interest rate of 5.6%. During 2008, the District repaid all principal and accrued interest under the agreement.

The District's long-term obligations will mature as follows:

	Principal	Interest	Total
2009	\$ 575,000	\$ 169,766	\$ 744,766
2010	515,454	269,404	784,858
2011	481,437	301,751	783,188
2012	595,000	155,966	750,966
2013	610,000	138,116	748,116
2014	635,000	119,054	754,054
2015	645,000	98,416	743,416
2016	670,000	76,648	746,648
2017	695,000	52,527	747,527
2018	715,000	26,813	741,813
	<u>\$ 6,136,891</u>	<u>\$ 1,408,461</u>	<u>\$ 7,545,352</u>